ANNUAL ENROLLMENT 2016

November 9 – November 20, 2015

New York/New England

Partners in a Healthy V Team:

AT WORK, IN LIFE

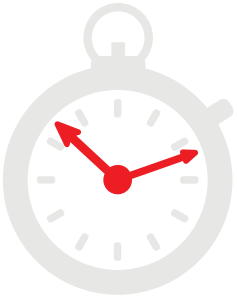
BenefitsConnection

www.verizon.com/benefitsconnection

Dear Verizon Employee:

Enclosed is the Annual Enrollment guide for the 2016 plan year. This guide reflects the terms that were agreed upon in the 2012 labor contracts. The Company and the Unions are currently in negotiations and are bargaining over possible changes to the plans, including changes that would take effect for the 2016 plan year. If prior to or during the 2016 plan year there are changes that will take effect during the 2016 plan year, you will be provided with new enrollment materials that reflect the changes and you will be given an opportunity to make changes to your coverage.

ANNUAL ENROLLMENT 2016: NOVEMBER 9 – NOVEMBER 20, 2015



Annual Enrollment is the perfect time to review your health care benefits for the upcoming year.

As members in a healthy V Team, we owe it to ourselves to ensure we have the proper coverage for each of us and our families. It's a simple step toward better health.

Your current elections for medical, dental, vision, life insurance, accidental death and dismemberment, and spending accounts will automatically continue for 2016. Your tobacco user status and Health Assessment credit will also roll over. To change your coverage, tobacco user status, and/or modify your spending account contributions, you must make an affirmative election as part of Annual Enrollment.

Please review the enclosed materials to familiarize yourself with what you can expect regarding coverage options, contributions, and design changes for the 2016 plan year.

TO REVIEW YOUR BENEFITS OR MAKE CHANGES FOR 2016

To review or make changes to your benefit elections, dependents, or beneficiaries, visit BenefitsConnection through About You or at www.verizon.com/benefitsconnection **before midnight Eastern time on November 20.**

If you have questions or need assistance, you can call the Verizon Benefits Center at 1-855-4VzBens (1-855-489-2367). Representatives are available 9 a.m. to 5 p.m., Eastern time, with extended hours to 8 p.m. on November 16, 17, and 18.

To make things easier, follow the checklist below for items to consider:

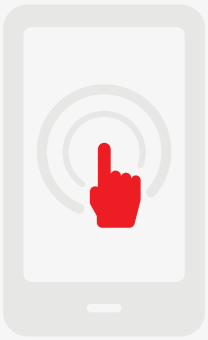
Annual Enrollment Checklist

Take action only if you want to:

- ❑ Add or remove dependent(s)
- ❑ Change your tobacco/non-tobacco user status
- ❑ Complete your online Health Assessment
- ❑ Change your medical and/or dental coverage
- ❑ Change your Health Care and/or Dependent Day Care Spending Account annual contribution
- ❑ Review and update your life and accidental death and dismemberment benefits for yourself and your eligible dependents
- ❑ Review and update your beneficiary information

ACCESS BENEFITSCONNECTION ANYTIME, ANYWHERE!

We are excited to announce that BenefitsConnection has gone mobile! You can now review your benefits information and enroll on any mobile device or computer. Whether you choose a cell phone, tablet, laptop, or desktop, BenefitsConnection is just a click away.



Remember: Annual Enrollment is generally the only time during the year that you can make changes to your coverage, unless you have a qualified life event (such as the birth of a child). For information on what constitutes a qualified life event, refer to your Summary Plan Description (SPD) available in the Library Section of BenefitsConnection.

IF YOU HAVE A QUALIFIED LIFE EVENT PRIOR TO 2016

If you have a qualified life event (such as the birth of a child) between now and the end of the year, you will need to make any necessary changes on BenefitsConnection for both 2015 and 2016.

VERIFYING YOUR DEPENDENTS

If you add a dependent to your coverage during Annual Enrollment, or at any time during the year, you will need to provide documentation to verify eligibility. Instructions for completing the dependent verification will be sent to your work e-mail as well as your home address on file after you have enrolled your dependent.

If you have questions about eligibility, please refer to your SPD, available in the Library Section of BenefitsConnection. Adding an ineligible dependent to your Verizon coverage may result in disciplinary action.

DEPENDENT CHILDREN ENROLLED IN DENTAL, VISION, CHILD LIFE INSURANCE, AND CHILD AD&D INSURANCE COVERAGE

In order for a dependent child to be eligible for dental, vision, child life insurance, and child AD&D insurance coverage after the end of the calendar year in which he/she reaches age 19, he/she must be a full-time student at an accredited institution, or meet the conditions of being disabled. Coverage can continue through the end of the calendar year in which he/she reaches age 25 as long as he/she maintains full-time student status.

Similar to last year, Verizon will work with the National Student Clearinghouse in early 2016 to confirm student eligibility for dependents between the ages of 19 and 25 that are enrolled in dental and/or vision coverage. If full-time student status cannot be verified, instructions will be sent to your work e-mail as well as to your home address on file. If you do not comply with the instructions provided, your dependent will be dropped from dental and/or vision coverage.

If your child is not a full-time student, and does not meet the conditions of being disabled, you must remove him/her from dental and vision coverage during Annual Enrollment. If you would like to continue coverage for your dependent(s) through COBRA, please contact the Verizon Benefits Center at 1-855-4VzBens (1-855-489-2367) by December 31, 2015. **You are responsible for updating your child life and child AD&D insurance elections if any of your previously eligible dependents no longer meet the eligibility requirements as noted above.**

MEDICAL COVERAGE

For 2016, you will continue to have a choice of the MEP HCP and HCN medical plan options. The EPO medical plan option will continue to be available to those currently enrolled in it.

If an HMO is currently available to you, it will continue to be available to you in 2016 as long as you live in a zip code where the HMO is offered. If you have a change in address, please review the options available to you on BenefitsConnection.

While the contributions for active employees are the same as this year, there are some differences in your prescription drug maximum copays and out-of-pocket maximum, resulting from the 2012 labor contracts. Please refer to the following chart for details.

At a Glance – Prescription Drugs

Plan Provision	2015	2016
Retail (In-Network)	**Brand (Single-Source and Multi- Source):** 30% of discounted network price up to $26.50 maximum copay[1]	**Brand (Single-Source and Multi- Source):** 30% of discounted network price up to $28.09 maximum copay[1]
Mail Order	**Brand (Single-Source and Multi- Source):** 30% of discounted network price up to $53 maximum copay[1]	**Brand (Single-Source and Multi- Source):** 30% of discounted network price up to $56.18 maximum copay[1]
Annual Mail-Order Out-of-Pocket Maximum (MEP HCP medical plan option only)	$742 per person	$786.52 per person

[1] *If you choose a brand-name medication when a generic equivalent is available, you will pay the generic copay/coinsurance plus 100% of the difference in cost between the brand-name and generic. The maximum copay will not apply. This additional cost will apply unless your doctor certifies that you are medically unable to take the generic medication and the exception is approved by Express Scripts.*

2016 MEDICAL PLAN CONTRIBUTIONS

Your 2016 monthly medical plan contributions are as follows:

MEP HCP and HCN [1]

Non-Tobacco User Credit?	Yes	Yes	No	No
Completed Health Assessment?	Yes	No	Yes	No
Employee Only (Monthly)	$ 55.00	$ 63.33	$105.00	$113.33
Employee + 1 or More (Monthly)	$110.00	$118.33	$160.00	$168.33

EPO (HMOs will be no greater than the amounts in this chart)[1]

Non-Tobacco User Credit?	Yes	Yes	No	No
Completed Health Assessment?	Yes	No	Yes	No
Employee Only (Monthly)	$ 82.50	$ 90.83	$132.50	$140.83
Employee + 1 or More (Monthly)	$165.00	$173.33	$215.00	$223.33

[1] *Contributions are based on employees scheduled to work 25 or more hours per week. If you are scheduled to work less than 25 hours per week, please visit BenefitsConnection for your contribution amounts. See* ***Important Information About the Affordable Care Act*** *for more details about the non-tobacco user credit.*

NO MEDICAL AND DENTAL COVERAGE

If you are currently in No Coverage today, and you make no changes during this Annual Enrollment, your No Coverage election will carry over for 2016.

Please Note: Verizon's medical coverage meets the definition of "Minimum Essential Coverage" (MEC), which is the type of coverage that can help you avoid a penalty under the Affordable Care Act's individual mandate. If you want to enroll in MEC and currently have No Coverage, you must make an affirmative election.

If you have coverage today and would like to waive coverage for 2016, you need to choose No Coverage during Annual Enrollment. If you choose No Coverage, you cannot enroll in coverage during the year unless you have a qualified life event or as otherwise required by law. Please refer to your SPD for guidelines on qualified life events.

LIFE AND ACCIDENTAL DEATH & DISMEMBERMENT (AD&D) INSURANCE

The rates for the Life and AD&D insurance coverage have decreased for 2016. Log on to BenefitsConnection to see your personal options and costs.

Effective January 1, 2016, your employee supplemental life insurance rates are as follows:

Employee Supplemental Life Insurance – 2016 Monthly Rates

Employee Age as of December 31, 2016	Monthly Rate Per $1,000 of Coverage
Under 25	$0.047
25-29	$0.055
30-34	$0.073
35-39	$0.082
40-44	$0.103
45-49	$0.171
50-54	$0.281
55-59	$0.418
60-64	$0.648
65-69	$1.156
70-74	$1.874
75-79	$2.704
80+	$4.273

Verify Your Beneficiary Information

Take this time to verify your beneficiary information on BenefitsConnection. In the event of your death, the insurance plan administrator will pay proceeds based on your beneficiary information record.

Effective January 1, 2016, your spouse/domestic partner life insurance rates are as follows:

Spouse/Domestic Partner Life Insurance – 2016 Monthly Rates

Spouse Age as of December 31, 2016	COVERAGE AMOUNT AND MONTHLY COST				
	$5,000	$20,000	$50,000	$75,000	$100,000
< 30	$1.177	$ 2.038	$ 5.331	$ 7.997	$ 10.662
30 - 34	$1.177	$ 2.591	$ 6.792	$ 10.189	$ 13.585
35 - 39	$1.177	$ 3.143	$ 8.214	$ 12.321	$ 16.428
40 - 44	$1.177	$ 3.222	$ 8.451	$ 12.676	$ 16.902
45 - 49	$1.177	$ 3.996	$ 10.465	$ 15.697	$ 20.930
50 - 54	$1.177	$ 6.176	$ 16.191	$ 24.287	$ 32.382
55 - 59	$1.956	$ 10.489	$ 27.525	$ 41.287	$ 55.050
60 - 64	$3.003	$ 16.349	$ 42.926	$ 64.389	$ 85.852
65 - 69	$5.778	$ 26.506	$ 69.582	$ 104.373	$ 139.164
70 – 74	$9.372	$ 42.413	$ 111.324	$ 166.985	$ 222.647
75 – 79	$9.372	$ 72.283	$ 180.708	$ 271.062	$ 361.417
80 – 84	$9.372	$117.081	$ 292.703	$ 439.055	$ 585.406
85 – 89	$9.372	$189.570	$ 473.925	$ 710.887	$ 947.850
90 – 94	$9.372	$307.078	$ 767.694	$1,151.541	$1,535.389
95 – 99	$9.372	$497.516	$1,243.791	$1,865.687	$2,487.582

Important Note About Supplemental Life Insurance

The rates for employee supplemental life insurance and spouse/domestic partner life insurance are based on age ranges. Your costs for 2016 are based on age as of December 31, 2016.

LIFE AND ACCIDENTAL DEATH & DISMEMBERMENT (AD&D) INSURANCE *(CONTINUED)*

Effective January 1, 2016, your child life insurance rates are as follows:

Child Life Insurance – 2016 Monthly Rates

Coverage Amount	Monthly Cost
$ 1,500	$0.282
$ 5,000	$0.937
$10,000	$1.874
$15,000	$2.812
$20,000	$3.749

Effective January 1, 2016, your spouse/domestic partner AD&D rates are as follows:

Spouse/Domestic Partner Accidental Death and Dismemberment (AD&D) Insurance – 2016 Monthly Rates

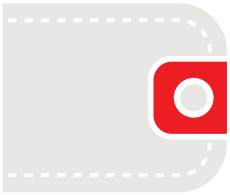
Coverage Amount	Monthly Cost
$ 5,000	$0.090
$20,000	$0.353
$50,000	$0.885
$75,000	$1.320
$100,000	$1.763

Effective January 1, 2016, your child AD&D rates are as follows:

Child Accidental Death and Dismemberment (AD&D) Insurance – 2016 Monthly Rates

Coverage Amount	Monthly Cost
$1,500	$0.075
$5,000	$0.240
$10,000	$0.480
$15,000	$0.720
$20,000	$0.960

SPENDING ACCOUNTS



A spending account is a great way to save money by contributing pre-tax dollars to pay for out-of-pocket eligible health care and dependent day care expenses, and lower your taxable income.

You cannot modify your spending account election during the year unless you have certain qualified life events. Please refer to your SPD for guidelines on qualified life events.

For 2016, the annual maximum contribution amounts are as follows:

- **Health Care Spending Account: $2,500**
- **Dependent Day Care Spending Account: $5,000**

Unless you make an affirmative election to change your contributions, your 2015 elections will automatically carry over to 2016. However, if you are considering changing the amount you contribute, you may want to use the calculator available on BenefitsConnection to help you estimate how much money to contribute. From the Home Page, select *See Next Year's Health Plan Comparison Charts,* then *My Spending Account Calculators.*

Only eligible expenses can be reimbursed under a spending account. To learn more about what qualifies as an eligible expense, please see your SPD. You can also learn more about spending accounts by clicking *Learn About Spending Accounts* found in the *I Want To* box on the BenefitsConnection Home Page.

Important note: According to IRS regulations, you must use all the money in your account each plan year for eligible expenses or it will be forfeited. Verizon offers a 2-1/2 month grace period that allows you to incur expenses until March 15 of the following plan year. Please see your SPD for details.

TO PRINT A CONFIRMATION STATEMENT

If you would like a paper confirmation statement of your 2016 coverage, simply log on to BenefitsConnection from About You or at www.verizon.com/benefitsconnection. From the Home Page, under *My Benefits › Health & Insurance*, click on *View Next Year's Coverage,* then select the Print icon in the upper-right corner.

Your enrollment information will continue to be available to you online 24/7. You can also request a confirmation statement be mailed to you by calling the Verizon Benefits Center.

RETIREE MEDICAL CONTRIBUTIONS

MEDICAL PLAN CONTRIBUTIONS

Your contributions depend on your retirement date, your net credited service date, and the medical plan option you select.

For All Retirees After January 1, 1992 With a Net Credited Service Date Before August 3, 2008

The 2012 labor contracts provide for limits on the amount the Company will contribute toward retiree medical coverage in 2016 and later plan years. These limits are referred to as retiree medical caps which are listed below:

Retiree Medical Caps

Coverage Category	MEP HCP (pre-Medicare)	MEP HCP (Medicare)	All Other Plan Options (pre-Medicare)	All Other Plan Options (Medicare)
Retiree Only	$15,447	$6,330	$12,580	$6,330
Retiree + 1	$30,893	$12,660	$25,160	$12,660
Retiree + Family	$38,639	$18,990	$31,450	$18,990

In the 2016 plan year, the cost of coverage of each of the Medicare plan options is less than the applicable retiree medical cap. In the 2016 plan year, the cost of coverage of the following pre-Medicare plan options will exceed the applicable retiree medical caps:

- National EPO
- UHC Passport/ Harvard Pilgrim
- MEP HCP

In addition, the cost of coverage of certain out-of-area HMOs will also exceed the applicable retiree medical caps in 2016.

The Company and the Unions are currently in negotiations and are bargaining over possible changes to the plans, including changes that would take effect for the 2016 plan year, which could impact the cost of coverage of certain plans and therefore the amount of contributions resulting from exceeding the applicable retiree medical cap. If prior to or during the 2016 plan year there are changes that will take effect during the 2016 plan year, retirees will be provided with new enrollment materials that reflect the changes and will be given an opportunity to make changes to their coverage.

RETIREE MEDICAL CONTRIBUTIONS *(CONTINUED)*

Consistent with the labor contracts and the previously described provisions, the 2016 retiree medical contributions that are payable each month for post-1/1/1992 retirees are as follows:

2016 Pre-Medicare MEP HCP and HCN Monthly Retiree Contributions

Coverage Category	MEP HCP		HCN	
	Retired before 1/1/13	Retired on or after 1/1/13	Retired before 1/1/13	Retired on or after 1/1/13
Retiree Only	$26.50	$39.33	$0	$39.33
Retiree + 1	$53.08	$67.42	$0	$67.42
Retiree + Family	$65.58	$67.42	$0	$67.42

2016 Pre-Medicare EPO and HMO Monthly Retiree Contributions

Coverage Category (Retired before, on, or after 1/1/13)	EPO	UHC Passport/ Harvard Pilgrim	Other NYNE HMOs (Varies by plan option)
Retiree Only	$97.08	$142.83	$68.75 - $77.00
Retiree + 1	$194.25	$285.75	$104.17 - $116.67
Retiree + Family	$243.92	$358.25	$137.50 - $154.00

RETIREE MEDICAL CONTRIBUTIONS *(CONTINUED)*

2016 Medicare-Eligible Monthly Retiree Contributions

Coverage Category	MEP HCP and HCN		HMOs
	Retired before 1/1/13	Retired on or after 1/1/13	Retired before, on, or after 1/1/13
Retiree Only	$0	$19.66	$19.66
Retiree + 1	$0	$33.71	$33.71
Retiree + Family	$0	$33.71	$33.71

In plan years after 2016, additional plan options may exceed the applicable retiree medical caps and require contributions pursuant to the caps. If you would like more information about the retiree caps and how they affect retiree contributions, visit the Library Section of BenefitsConnection. From there, go to *Documents for All Retirees* within the SPD section, then under *Medical/Prescription Drug* select the **Retiree Medical Contributions Supplemental Guide**.

For Retirees with a net credited service date of August 3, 2008 or later (and did not previously qualify for Company-provided retiree medical benefits)

For the 2016 plan year, the Company will provide the following contributions toward the cost of retiree medical coverage for eligible retirees:

- **Not Eligible for Medicare:** $480 for each full year of net credited service that commences on or after August 3, 2008, up to a maximum of 30 years.
- **Medicare-Eligible:** A reduced amount that is not less than half of the amount provided for pre-Medicare retirees with the same net credited service.

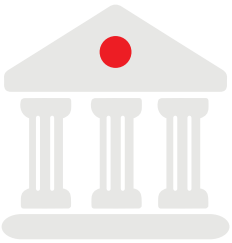
ADDITIONAL INFORMATION

Please remember that to be eligible for retiree medical benefits, you must meet applicable retirement eligibility requirements (30 years of net credited service; 25 years at age 50; 20 years at age 55; 15 years at age 60 or 10 years at age 65). Please also remember that retiree medical benefits are subject to change in the future.

IMPORTANT INFORMATION ABOUT THE AFFORDABLE CARE ACT

Out-of-Pocket Maximum Changes

As required by the Affordable Care Act, your total in-network out-of-pocket costs in 2016, including copays and prescription drug expenses under the medical plan options available to you, will not exceed $6,850 for individual coverage and $13,700 for family coverage. The individual in-network out-of-pocket maximum required by the Affordable Care Act applies to expenses incurred by each individual covered by the plan, regardless of whether the individual is covered under self-only coverage or other-than-self-only coverage (for example, family coverage). **Your underlying medical plans out-of-pocket maximums remain unchanged, and copays and prescription drug expenses will not apply toward such amounts.**



Preventive Care Updates

Under the Affordable Care Act, your medical options must offer certain preventive care benefits to you in-network without cost sharing. The medical plans generally may use reasonable medical management techniques to determine frequency, method, treatment, or setting for a recommended preventive care service.

Additional updates have been made to the preventive care benefits that must be offered without cost sharing, including (but not limited to) additional details on coverage for breast cancer genetic counseling and in some cases, related testing, contraception (birth control), and colonoscopies. Contact the Verizon medical plan option or prescription drug administrator, such as Express Scripts, for more details.

Wellness Disclaimer

The Verizon group health plans are committed to helping you achieve your best health. Your Verizon group health plan offers the opportunity to qualify for lower contributions for non-tobacco users (a non-tobacco user credit), which is a "wellness program." If you think you might be unable to meet a standard for a reward under this wellness program, you might qualify for an opportunity to earn the same reward by different means. Contact the Verizon Benefits Center at 1-855-4VzBens (1-855-489-2367) and we will work with you (and, if you wish, with your doctor) to find a wellness program with the same reward that is right for you in light of your health status.

A New Tax Form is Coming!

The Affordable Care Act requires all Americans to have healthcare coverage and be able to provide proof of that coverage at tax time. As a result, a new tax form that shows your healthcare coverage for the prior year—called a 1095—is being introduced. You will receive your first Form 1095 in January 2016.

IMPORTANT LEGAL NOTICES

Notice of Privacy Practices for the Verizon Communications Inc. Health Plans

The Notice of Privacy Practices for the Verizon Communications Inc. Health Plans ("HIPAA Privacy Notice") explains the uses and disclosures the Verizon Health Plans may make of your protected health information, your rights with respect to your protected health information, and the Plans' duties and obligations with respect to your protected health information.

The HIPAA Privacy Notice can be found on BenefitsConnection. You may view the notice and/or print a paper copy from the website; or you also may request a paper copy by calling the Verizon Benefits Center at 1-855-4VzBens (1-855-489-2367).

Summary Health Information Required by the Patient Protection and Affordable Care Act

Summaries of Benefits and Coverage (SBCs) required by the Affordable Care Act are available on BenefitsConnection at www.verizon.com/benefitsconnection. If you would like a paper copy of the SBCs (free of charge), you may contact the Verizon Benefits Center at 1-855-4Vz-Bens (1-855-489-2367).

Verizon is required to make SBCs, which summarize important information about health benefit plan options in a standard format, available to help you compare across plans and make an informed choice. The health benefits available to you provide important protection for you and your family in the case of illness or injury and choosing a health benefit option is an important decision. SBCs are being made available in addition to other information regarding your health benefits including Health Plan Comparison Charts which also can be found on BenefitsConnection.

This Annual Enrollment Guide provides updates to your existing Summary Plan Description(s) as of January 1, 2016. Please keep this Guide and any other Summary of Material Modification (SMM) with your SPDs. As always, the official plan documents determine what benefits are provided to Verizon employees, retirees and their dependents. Your SPDs are available at www.verizon.com/benefitsconnection, or you can call the Verizon Benefits Center and request a printed copy free of charge. As explained in your SPD, Verizon reserves the right to amend or terminate any of its plans or policies at any time with or without notice or cause, subject to applicable law and any duty to bargain collectively.